

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Ex Parte No. 670

ESTABLISHMENT OF
THE RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE

**WRITTEN STATEMENT
OF THE NATIONAL COAL TRANSPORTATION ASSOCIATION**

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Establishment of the Rail Energy Transportation Advisory Committee

Written Statement of the National Coal Transportation Association

Interest of the National Coal Transportation Association

This written statement is submitted on behalf of the Board of Directors of the National Coal Transportation Association (“NCTA”). The NCTA is an association of coal producers, electric utilities, and coal transportation product and service providers with over 130 corporate members doing business throughout the United States and Canada. The membership produces, contracts for rail transportation, and consumes over 700 million tons of coal annually and owns or controls over 80,000 dedicated coal cars that are primarily in unit train service. Accordingly, the membership and staff of NCTA is fully engaged in the issues and concerns of transporting coal from producers to various consumers by all transportation modes. Rail is by far the most significant mode in terms of volume and ton-miles. Our members own, lease, control, maintain, and repair coal cars of many types and designs. Coal producers are associated with significant amounts of coal that are hauled by trucks for both customer delivery and for coal production. Policies, transportation rates, and technology that affect the efficient transportation of coal are of vital interest to the membership of NCTA.

Comments of the National Coal Transportation Association

An advisory committee for rail transportation is a welcome concept to NCTA members. Coal is transported as large volume, heavy-haul, long-haul cyclical movements as a unit train. The cars are primarily owned by the shipper with the shipper being responsible for the repair and maintenance of all the rail cars in the unit train. The foregoing makes the coal shippers unique in the rail industry, even though over 40% of carloads are loaded with coal. Policies and rules that affect these entities (primarily electric utilities) need to understand and reflect the requirements of these rail shippers in order to help assure the continuing reliability of the finest electrical grid in the world.

NCTA has been hosting joint working committees and educational conferences for many years in our effort to resolve issues and concerns in the coal transportation infrastructure. A forum for open and frank discussion has proven to be an excellent process for problem resolution. Working groups must be limited in size for maximum effectiveness. NCTA recommends that the Energy Advisory Committee be limited to 15 persons representing a diversity of transportation infrastructure entities. This limitation enhances the possibility of consensus and action.

A reasonable diversity of experience, geographical location, and business purpose is highly desirable. The rail-based coal transportation industry consists of three segments in its simplest form: coal producers, electric utilities, and rail carriers. Each of these segments is inextricably positioned as a leg of a triangle. Any one leg cannot have greater or lesser value without affecting the other two legs negatively or positively. Increasing the capacity and efficiency for all legs of the triangle is the worthy goal of an

effective advisory committee. The desirable result is a reliable and efficient coal transportation system with sufficient capacity to meet the needs of the nation.

NCTA represents the coal transportation stakeholders in a unique way and humbly submits that NCTA should be a member of the Rail Energy Transportation Advisory Committee. The various working committees within NCTA would provide well-considered consensus input to the Advisory Committee representing the optimum spectrum of producers from the eastern and western U.S as well as from electric utilities providing electricity throughout the nation.

NCTA supports the appointing of three Class I coal carriers along with two regional rail carriers to the Advisory Committee. Additionally, the appointment of four coal producers and five utilities with some diversity of geography and output size is desirable. Of course, STB Commissioners and staff are necessary for facilitation of discussion and the capability to produce action plans.

In this age of electronic contrivances, face-to-face meetings involving the engagement of personalities in good faith is still the best method of communication to achieve problem resolution.

Respectfully submitted

Thomas C. Canter

Executive Director

National Coal Transportation Association

